

# EVERGREEN ♦ EAST HILLS VISION STRATEGY

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## Task Force Meeting - 9

City of San José, New City Hall  
200 East Santa Clara Street, Wing 118, 119, 120  
San Jose, CA 95113-1905

**Wednesday, April 11, 2006**  
6:30 – 8:30P.M.

### MEETING SUMMARY

The meeting was called to order at 6:34p.m.

#### **Task Force Members Present:**

Chair Dave Cortese, Chris Corpus, Jim Zito, Ike White, Jenny Chang, J. Manuel Herrera, Dave Zenker, Homing Yip, Vince Songcayawon, Sylvia Alvarez, Steve Dunn, Al Munoz, Madison Nguyen, Patric Spillane, Mark Milioto, Joe Head, Khanh Nguyen, Mike Hill, Lou Kvitek, Alan Covington, Bob Levy, Carlos DaSilva, Gordon Lund

#### **Task Force Members Absent:**

Vice-chair Nora Campos, Melanie Richardson, Carolyn Gonot, Nancy Dellamatera, Steven Cox, George Perez, Maria Lopez

#### **Members of the Public Present:**

Alan Garofalo, Jim Crawford, Sophie Chun, Galvin Jackson, Jim Rendler, Annie Eklund, Kulwant Sidhu, Kent Campbell, John Edmunds, Patrick Hendry, Elisa Wells

#### **Developer Community Present:**

Tom Armstrong, Bridget Koller, Gerry DeYoung

#### **Staff Present:**

Andrew Crabtree, Kip Harkness, John Baty, Sylvia Do, Rebecca Flores, Dave Mitchell, Tei Chen, Rabia Chaudhry, Todd Rufo, Javier Gonzales

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#### **Welcome and Announcements**

Chair Dave Cortese called the meeting to order at 6:34 p.m.

Andrew Crabtree announced that Vice-Chair Nora Campos, due to an unanticipated scheduling conflict would not be able to attend the meeting.

## Meeting Summaries and Outreach Calendar

Andrew Crabtree directed the Task Force members to reference the meeting summary handouts for the [December 14<sup>th</sup>](#), [January 18<sup>th</sup>](#), [February 25<sup>th</sup>](#), and [March 15<sup>th</sup>](#) Task Force meetings (also available on the website). There were no comments on the meeting summaries.

Andrew reminded the Task Force that the [Outreach Calendar](#) page on the EEHVS website is a good place to review all of the EEHVS related outreach meetings including summaries of those meetings.

Andrew also noted that the Questions & Answers and Outstanding items list has been updated through March and is available on the EEHVS website on the [Questions & Answers](#) page. Andrew asked the Task Force to review the list, note any questions that have not been addressed and send that information to John Baty.

Chair Dave Cortese asked if the East Side Union High School District (ESUHSD) had something to report-out.

J. Manuel Herrera, Task Force member and ESUHSD Board President noted that the Board had adopted a position statement on EEHVS.

Bob Nunez, ESUHSD Superintendent gave a brief description of the Board's action. ([See letter from ESUHSD 4/12/06](#))

Jim Zito asked for the Task Force members to be polled at the end of the meeting to determine how many members could attend the Task Force meeting scheduled for April 19<sup>th</sup>.

## Balancing the Equation (continued from March 15<sup>th</sup>)

### Introduction

Facilitator Kip Harkness reminded the Task Force of the homework he gave at the last meeting, which was to not tear apart the work that was done at the March 15<sup>th</sup> meeting, rather to look at ways of improving the agreement.

Kip explained that the balancing the equation exercise would use the “fishbowl” technique where the Task Force would be arranged around a central table of Task Force members and that every Task Force member would get the opportunity to observe, participate and interact with one another.

Kip described the concept of mutual gain; of inventing options for making things work. Kip offered the following metaphor to explain the concept:

*A father comes down to breakfast one Sunday to find his daughters arguing over the sole remaining orange in the house. They are pulling back and forth and are at impasse. The father suggests cutting the fruit in half, but this seems to please neither. The father then asks why each one wants the orange. The first replies that she wants the juice to drink with her breakfast. The second replies that she wants the peel to shave into zest for scones she is baking. The wise father suggests that the first daughter squeeze the juice and then give the peel to the second daughter. All are pleased, and the father is able to sit down and read his paper in peace.*

Brainstorming

The Task Force began the exercise with a brainstorming session on ideas that would add value to the scenario. The idea was to get ideas out and to not be critical.

Kip began the brainstorming session by offering the idea of allowing a non-profit developer to do some or all of the affordable housing, which could save money for the for-profit developers. A non-profit developer could apply for low income tax credits and bring in additional resources into the transaction.

Jim Zito regarding the high school issue suggested securing land outside of the project area and transferring development rights to developers.

Homing Yip indicated that funding should be provided for teachers, fire-fighters and other service workers that don't qualify for affordable housing and that housing for these workers not necessarily be designated affordable.

Joe Head suggested establishing legal nexus for background units having to contribute toward improvements/amenities.

Ike White added that Pleasant Hills Golf Course should be connected to Lake Cunningham Park.

Chair Dave Cortese proposed negotiating a reimbursement agreement through VTA for funding 101 now.

Vince Songcayawon mentioned that a previous plan for the Pleasant Hills Golf Course showed 5 to 6 acres of commercial and that without designating commercial on Pleasant Hills the opportunity for a small neighborhood shopping center in the area would be lost.

Jim Zito suggested working with the County/VTA to not remove lanes on Capitol Expressway for lightrail.

Jenny Chang added that she would like to see industrial land reserved for future jobs.

Carlo DaSilva suggested exploring the opportunity to have a new elementary school combined with a community center and expansion of Meadowfair Park.

Boby Levy suggested that there be triggers (number of units) in place before a 50,000 square foot store be allowed.

Ike White proposed mixed-use at PHGC

Dave Zanker suggested in return for allowing conversion of 100-percent of the industrial land, find a more appropriate location and secure that for future industrial.

Exercise

Following the brainstorming session Kip reminded the Task Force that although they were working to improve the agreement, nobody is committed and no votes have been taken. Any agreement reached is a tentative agreement and the full Task Force will have a chance to vote on the agreement.

Kip asked the Task Force to recall the different Task Force group contributions from the March 15<sup>th</sup> meeting. He referenced notes and "game boards" from each group.

Available on the EEHVS website:

Group 1 – [notes](#), [game board](#)

Group 2 – [notes](#), [game board](#)

Group 3 – [notes](#), [game board](#)

Group 4 – [notes](#), [game board](#)

Kip noted the similarities and patterns between the four groups. Kip picked Group 2 for the continuation of the balancing the equation discussion partly because that was his group and he could more easily continue the discussion in a meaningful way and also because it was a decent starting place.

While the Task Force discussion occurred around Group 2 a large “game board” was displayed for the audience to follow along.

To begin reviewing where Group 2 had left their agreement Kip invited group 2 members to a table surrounded by the rest of the Task Force. The Task Force members surrounding group 2 were asked to observe the central discussion and contribute with comments and suggestions. Kip called this arrangement the “fishbowl”.

On the topic of affordable housing Steve Dunn suggested 20% on Arcadia, 40% on the college and 20% from background units. Jim Zito commented that, overall the project could do better, that the units should be spread out and that senior affordable housing should be considered as it would reduce the amount of trips. Chair Cortese asked if making senior affordable housing exempt from contributing to the CFD was an incentive to the developers. Joe Head answered that affordable housing is not sourcing any money towards amenities. Steve Dunn added that developers of non-affordable housing would subsidize affordable housing. Sylvia Alvarez asked about bringing-in non-profit housing developers. Joe Head noted that the college site may work with non-profit groups. Mike Hill added that there are different levels of affordability and that some units may not technically meet affordable housing standards, but still be affordable. Jim Zito brought up the idea of affordable housing by design to accommodate many socioeconomic groups. Chair Cortese re-raised the idea of focusing on senior affordable units because of reduced trips. Kip suggested a minimum level of affordable housing with incentives to encourage affordable housing.

On the topic of a Community Facilities District (CFD) Kip asked Joe Head to provide a re-cap of his idea of a partial CFD. Joe Head offered that within the context of the total discussion and with the exception of rental housing, the for-sale builders would either commit to paying off the CFD as they go (Summerhill Homes commits) or other builders would strongly consider. Jim Zito stated that the key is not to place a “hit” on the tax roles of future homeowners. For developers producing a turn-key school Jim Zito suggested a CFD may be okay, to which Kip added if it was agreeable to the school district. Sylvia cautioned that with CFDs for schools, you have some families paying for the school and other families not; may cause a rift. Lou Kvitek mentioned that he didn’t think the Evergreen Elementary School District would want developers to build their schools because they would build them “cheaply”.

Turning to the topic of schools Kip asked the group if three elementary schools was acceptable (Arcadia most tentative), along with a developer contribution toward a high school solution. Steve Dunn mentioned that the developers are working with the high school district to understand its needs and that the developers understand that there needs to be a solution. Khanh Nguyen commented that his community could deal with the vagueness of the high school

solution, but need to have an elementary school on Arcadia. Khanh added that the kids in the area around Arcadia currently go to five different elementary schools. Gerry DeYoung (representing Arcadia) offered that a conversation with the Evergreen School District has begun where the discussion is focused on finding ways to integrate the community center, park and school. Gerry also noted that the City's Parks, Recreation & Neighborhood Services department is very much a part of the Arcadia solution.

Kip conducted a "pulse-check" on the idea of a true joint-use scenario with a combined community center and school on Arcadia. Gordon Lund raised his concern over the flight path. Gerry DeYoung explained that the City took the Arcadia plan showing 12 acres in the flight path to the Santa Clara County Airport Land Use Commission (ALUC) and the commission approved the 12 acres for park/open space use. When asked to use their green/yellow/red triangle voting devices most of the Task Force was green (support) or yellow (concern) with no red (opposed). Jim Zito expressed that he didn't want to see the dilution of the school or community center uses with a joint use scenario. Sylvia Alvarez commented that schools are built for the community at large. Chair Cortese suggested for a true joint-use facility the possibility of moving money through the school to qualify for state matching funds/facilities funds and also possibly getting SNI/RDA funding help. Council member Madison Nguyen voiced her support for Carlos DaSilva's proposal for a joint-use facility at Arcadia and for Chair Cortese's comments regarding use of SNI funds. Sylvia Alvarez noted that schools have built multi-purpose rooms with RDA funds and suggested joint-use facilities may be a way for schools to get out of debt. Bob Levy raised a concern over use of community facility during school hours. Chair Cortese proposed that the City's Finance Department may be able to offer comment and work with school districts on financing options for joint-use facilities. Ike White asked about the multi-purpose center on August Boeger. Chair Cortese answered that the concept for August Boeger was always as a joint-use for that potential amenity.

On the issue of the value of the amenities/transportation investments package Kip asked if the group was okay with sticking with \$232 million. Jim Zito responded that \$232 million is okay with the assumption that that was the amount that funded the original amenities list.

On retail Kip asked if 300,000 square feet was agreeable. Vince Songcayawon asked if retail included some office. Mike Hill added that between 75,000 and 95,000 square feet of office is being proposed on the college site. Kip suggested reclassifying retail as retail/commercial/office.

Kip noted that the Task Force seemed okay with zero acres of industrial retention, but if industrial in Evergreen is allowed to go away, where would industrial be anchored citywide. Also, is Hitachi okay with conversion of Evergreen's campus industrial.

Returning to the issue of affordable housing 15% affordable was okay, but as suggested by Jim Zito, there is some desire for a greater rate of affordable housing.

Kip asked for any insight into the number of units noting that developers get value from units which allows them to pay for amenities, however the negative impacts to adding units is the resulting traffic. J. Manuel Herrera suggested taking the extreme ends of the unit spectrum off the table and start discussion from the middle spectrum. Bob Levy suggested working backward from the \$232 million to get the number of units. Alan Covington responded that that would be a faulty approach because don't have good costs for amenities and still have to prioritize. Lou Kvitek added that things have changed with the amenities list. Chair Cortese asked that the Task

Force honor the fundamental approach for how the sub-region of San José will look and asked if the Task Force was still creating a holistic sustainable vision for what makes a good city. Chair Cortese added that the amenities list funding line items don't account for grants, matching funds, or outside funding and that staff needs to provide these details. Kip suggested that the amenity prioritization exercise will be larger than a simple prioritization; it would be part of the vision that is trying to be achieved. Steve Dunn noted that the developers didn't participate in the previous Task Force but committed to \$232 million in amenities with 5,700 units. Steve offered that the difference between 4,200 units and 5,700 units in terms of traffic is minimal, but is a significant impact on the ability to pay for amenities. Gordon Lund suggested that the Task Force can't get to a number of units without addressing industrial retention; if retain 100% industrial then developers can only provide one-half of the amenities dollars.

Ike White mentioned the need for 600 units on the Pleasant Hills Golf Course site to generate the need for a new school. Ike added that anything less than 600 units would not require a new school, but would result in overcrowding at existing schools.

Mark Milioto reminded the Task Force that if the developers are not collectively dealt with now, later there will not be the same opportunity for achieving the collective good and long range vision of the community.

Kip asked for another test or "pulse-check" on 6 of the 7 issues, not including units. The Task Force reached tentative agreement on the following: \$232M Amenities, 3 school sites/high school solution, partial CFD, 15% affordable, 300,000 square feet of retail, 0 industrial retention.

Chair Cortese suggested the possibility of building more units than people may be comfortable with by requiring the building of senior housing. Jim Zito offered that the key to the unit discussion is quality of life as it relates to competition for amenities and wear and tear on infrastructure. Chair Cortese added that it isn't known where residential pool units would go, but suggested that there may be certain circumstances where in certain areas there could be a requirement for a certain type of housing, like senior housing.

Kip asked the group about a range of units between 4,600 and 5,200, which resulted in two reds (opposed) from Steve Dunn and Jim Zito. Jim Zito explained that he remains to be convinced that the community isn't taking on more pain than need to in order to get what the community wants; at this time convinced that don't need to go that high. Steve Dunn explained that his objection was due to financial considerations; couldn't afford project. Kip asked if a certain number of units generates a certain amount of amenity dollars, then what would a reduced number of units generate? Steve Dunn answered that there is not a linear relationship between number of units and amenity dollars. Jim Zito asked for the developers to plug-in the Task Force proposal for 4,100 units then comment on what amount of amenity dollars that could generate. Kip reminded everyone that the amenities dollars are not a cash cow, but that the money is to be used to help achieve a vision for the area. Kip added that the Task Force was within a narrow range of units of achieving an agreement, but that there is always the option of not moving forward.

Kip reviewed the next steps as follows: bring back next draft of Evergreen Development Policy (EDP) based on tentative agreement; get a better handle on amenities package (vision and prioritization); and financing.



Chair Cortese offered that out of fundamental disagreement comes agreement and suggested getting back to an interest-based approach on the number of units and amenities dollars. Chair Cortese added that he is not asking the developers to open their books, but he is asking for a dialogue on risk and finances. People don't understand each other's interests. Chair Cortese asked Kip to create a framework to tackle the issue of number of units.

Joe Head stated that he looks forward to sharing with the Task Force and will do his homework to be prepared.

Alan Covington provided an observation that the Task Force is not operating in a vacuum. For example the issue of industrial retention is a citywide issue.

Gordon Lund suggested that the developers should come up with good plans for Arcadia and Pleasant Hills then show what they could generate.

Ike White asked what would the Pleasant Hills Golf Course look like. Will it be 40% open space?

### **Public Comments**

Lisa Wells –

Lives in Evergreen, supports a new High School. Don't want daughter to go to a school with 3,000 kids in a high school meant for 2,000 kids. Should secure land for a new high school.

Galvin Jackson –

Question answered off-line after adjournment.

John Edmunds –

Has lived in Evergreen for eight years. Kids go to JFS Elementary. City is losing property tax base with people moving out. Area has good elementary schools, but have a junior high with a drug problem and high school overcrowding. Suggest a moratorium until build property tax base.

### **Task Force Discussion on Next Meeting**

7 of the Task Force members present identified conflicts on the date when the next Task Force meeting on April 19, 2006. The Task Force decided to reschedule the April 19<sup>th</sup> meeting and for John Baty to coordinate with the Council offices on the next date.

Meeting was adjourned at 8:35 p.m.